(c) The original PPA in respect of the Dabhol power project provides for supply of power by both Phases of the project to the State of Maharashtra. Following disputes with DPC, MSEB rescinded the PPA on 23-5-2001 and stopped drawing power from the project with effect from 29-5-2003. As a part of the ongoing efforts to restart phase-I, Government of Maharashtra has taken a decision to allow MSEB to draw power from Phase-I (740MW) of Dabhol project at an optimum level of 83% at a tariff of about Rs. 2.80 / KWH on an interim basis subject to approval of the Maharashtra Electricity Regulatory Commission (MERC) and High Court of Maharashtra which has appointed a receiver for the project, and without prejudice to MSEB / Government of Maharashtra's rights and contentions in the pending arbitration/ judicial and MERC proceedings. Such a tariff level takes into account the current cost of naphtha (after remission of all Central & State levies and taxes) with the fuel cost being a 'pass through' item. The power supplied by Phase-I of the Dabhol project, after it is restarted, will be pooled in to the Maharashtra State Grid for supply to the consumers of MSEB.

For the proposed interim restart, the tariff model is based on the recovery on interest on debt at reduced rates (and without any provision for depreciation/ debt repayment).

(d) Neither the Government of Chhattisgarh nor any other Chhattisgarh power plant has offered to supply power to Maharashtra. Chhattisgarh State Electricity Board (CSEB) has entered into an agreement with the Gujarat Electricity Board (GEB) on 28-3-2002 and has been supplying power to GEB since October, 2001. Main terms of the agreement made are as below :—

i. The CSEB has offered to sell energy (being received through M/s. Jindal Steel & Power Ltd.) to GEB equivalent to 100 MW contracted capacity.

ii. The agreement shall remain operative upto the end of October, 2011.

iii. The energy to be sold by CSEB for the contracted capacity to GEB shall be charged at Rs. 2.60 / kwh ex Asoj Bus.

SEBs Dues to Railways

4915. DR. ALLADI P. RAJKUMAR: Will the Minister of POWER be pleased to state :

(a) whether various State Electricity Boards owe large sums of money to Railways;

(b) whether the Ministry of Power has pressed the SEBs to clear the arrears and pay to Railways the outstanding amounts; and

(c) if so, the results thereof?

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA) : (a) Yes, Sir.

(b) and (c) Under the Scheme for One Time Settlement of SEBs, dues payable to the 8 CPSUs and the Railways by the SEBs as on 30-09-2001 are to be securitized by issue of 8.5% tax-free SLR bond of the respective State Governments, after waiver of 60% of interest/surcharge. Under this arrangement, Rs.700 crores would be securitized, as reported by the Railways. Further, under Tripartite Agreement (TPA), the SEBs are also to ensure payment of current bills through Letter of Credit and any amount defaulted would be recovered through adjustment against releases due to the respective State Governments on account of Plan Assistance, States' share of Central Taxes and any other Grant or loan given to the State by way of debiting their accounts maintained in the Reserve Bank of India. The TPA has been signed on 20-03-2003.

Apart from the above course of action. Ministry of Railways has informed that the following further steps have been taken by them to enforce the recovery of outstanding dues :—

1. Adjustment of outstanding dues against traction bills of some of the State Electricity Boards is also being carried out.

2. The Ministry of Railways has written to Chief Ministers of Andhra Pradesh, Maharashtra, Gujarat, Rajasthan, Delhi, Punjab, Haryana and West Bengal urging early steps for clearance of dues.

Privatisation of REC

4916. SHRI C.P. THIRUNAVUKKARASU: Will the Minister of POWER be pleased to state :